

AMENDED IN SENATE AUGUST 25, 2003

AMENDED IN SENATE JULY 2, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 123

Introduced by Assembly Members Cohn and Chavez

January 15, 2003

An act to amend Sections 1800 and 1805 of the Business and Professions Code, and to amend Section 13401.5 of the Corporations Code, relating to professional corporations.

LEGISLATIVE COUNSEL'S DIGEST

AB 123, as amended, Cohn. Professional corporations: dentists.

Existing law authorizes dentists to practice dentistry as part of a professional corporation. Existing law, with respect to various other healing arts professions, authorizes certain licensed persons other than those licensed to practice in a particular profession to be shareholders, officers, directors, or professional employees of a professional corporation, subject to certain limitations.

This bill would provide that physicians and surgeons, dental assistants, registered dental assistants, registered dental assistants in extended functions, registered dental hygienists, registered dental hygienists in extended functions, or registered dental hygienists in alternative practice may be shareholders, officers, directors, or professional employees of dental corporations.

This bill would incorporate additional changes in Section 13401.5 of the Corporations Code proposed by SB 907 that would become

operative only if SB 907 and this bill are both enacted and become effective on or before January 1, 2004, and this bill is enacted last.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1800 of the Business and Professions
2 Code is amended to read:

3 1800. A dental corporation is a corporation that is authorized
4 to render professional services, as defined in Sections 13401 and
5 13401.5 of the Corporations Code, if that corporation, its
6 shareholders, officers, directors, and employees rendering
7 professional services who are dentists, physicians and surgeons,
8 dental assistants, registered dental assistants, registered dental
9 assistants in extended functions, registered dental hygienists,
10 registered dental hygienists in extended functions, or registered
11 dental hygienists in alternative practice are in compliance with the
12 Moscone-Knox Professional Corporation Act (Part 4
13 (commencing with Section 13400) of Division 3 of Title 1 of the
14 Corporations Code), this article, and other statutes, rules, and
15 regulations applicable to a dental corporation and the conduct of
16 its affairs. Subject to all applicable statutes, rules, and regulations,
17 a dental corporation is entitled to practice dentistry. With respect
18 to a dental corporation, the governmental agency referred to in the
19 Moscone-Knox Professional Corporation Act is the Dental Board
20 of California.

21 SEC. 2. Section 1805 of the Business and Professions Code
22 is amended to read:

23 1805. Except as provided in Sections 13401.5 and 13403 of
24 the Corporations Code, each director, shareholder, and officer of
25 a dental corporation shall be a licensed person as defined in the
26 Moscone-Knox Professional Corporation Act.

27 SEC. 3. Section 13401.5 of the Corporations Code is
28 amended to read:

29 13401.5. Notwithstanding subdivision (d) of Section 13401
30 and any other provision of law, the following licensed persons may
31 be shareholders, officers, directors, or professional employees of
32 the professional corporations designated in this section so long as
33 the sum of all shares owned by those licensed persons does not



1 exceed 49 percent of the total number of shares of the professional
2 corporation so designated herein, and so long as the number of
3 those licensed persons owning shares in the professional
4 corporation so designated herein does not exceed the number of
5 persons licensed by the governmental agency regulating the
6 designated professional corporation:

7 (a) Medical corporation.

8 (1) Licensed doctors of podiatric medicine.

9 (2) Licensed psychologists.

10 (3) Registered nurses.

11 (4) Licensed optometrists.

12 (5) Licensed marriage and family therapists.

13 (6) Licensed clinical social workers.

14 (7) Licensed physician assistants.

15 (8) Licensed chiropractors.

16 (9) Licensed acupuncturists.

17 (b) Podiatric medical corporation.

18 (1) Licensed physicians and surgeons.

19 (2) Licensed psychologists.

20 (3) Registered nurses.

21 (4) Licensed optometrists.

22 (5) Licensed chiropractors.

23 (6) Licensed acupuncturists.

24 (c) Psychological corporation.

25 (1) Licensed physicians and surgeons.

26 (2) Licensed doctors of podiatric medicine.

27 (3) Registered nurses.

28 (4) Licensed optometrists.

29 (5) Licensed marriage and family therapists.

30 (6) Licensed clinical social workers.

31 (7) Licensed chiropractors.

32 (8) Licensed acupuncturists.

33 (d) Speech-language pathology corporation.

34 (1) Licensed audiologists.

35 (e) Audiology corporation.

36 (1) Licensed speech-language pathologists.

37 (f) Nursing corporation.

38 (1) Licensed physicians and surgeons.

39 (2) Licensed doctors of podiatric medicine.

40 (3) Licensed psychologists.

- 1 (4) Licensed optometrists.
- 2 (5) Licensed marriage and family therapists.
- 3 (6) Licensed clinical social workers.
- 4 (7) Licensed physician assistants.
- 5 (8) Licensed chiropractors.
- 6 (9) Licensed acupuncturists.
- 7 (g) Marriage and family therapy corporation.
- 8 (1) Licensed physicians and surgeons.
- 9 (2) Licensed psychologists.
- 10 (3) Licensed clinical social workers.
- 11 (4) Registered nurses.
- 12 (5) Licensed chiropractors.
- 13 (6) Licensed acupuncturists.
- 14 (h) Licensed clinical social worker corporation.
- 15 (1) Licensed physicians and surgeons.
- 16 (2) Licensed psychologists.
- 17 (3) Licensed marriage and family therapists.
- 18 (4) Registered nurses.
- 19 (5) Licensed chiropractors.
- 20 (6) Licensed acupuncturists.
- 21 (i) Physician assistants corporation.
- 22 (1) Licensed physicians and surgeons.
- 23 (2) Registered nurses.
- 24 (3) Licensed acupuncturists.
- 25 (j) Optometric corporation.
- 26 (1) Licensed physicians and surgeons.
- 27 (2) Licensed doctors of podiatric medicine.
- 28 (3) Licensed psychologists.
- 29 (4) Registered nurses.
- 30 (5) Licensed chiropractors.
- 31 (6) Licensed acupuncturists.
- 32 (k) Chiropractic corporation.
- 33 (1) Licensed physicians and surgeons.
- 34 (2) Licensed doctors of podiatric medicine.
- 35 (3) Licensed psychologists.
- 36 (4) Registered nurses.
- 37 (5) Licensed optometrists.
- 38 (6) Licensed marriage and family therapists.
- 39 (7) Licensed clinical social workers.
- 40 (8) Licensed acupuncturists.



- (l) Acupuncture corporation.
- (1) Licensed physicians and surgeons.
- (2) Licensed doctors of podiatric medicine.
- (3) Licensed psychologists.
- (4) Registered nurses.
- (5) Licensed optometrists.
- (6) Licensed marriage and family therapists.
- (7) Licensed clinical social workers.
- (8) Licensed physician assistants.
- (9) Licensed chiropractors.
- (m) Dental corporation.

- (1) Licensed physicians and surgeons.
- (2) Dental assistants.
- (3) Registered dental assistants.
- (4) Registered dental assistants in extended functions.
- (5) Registered dental hygienists.
- (6) Registered dental hygienists in extended functions.
- (7) Registered dental hygienists in alternative practice.

SEC. 4. Section 13401.5 of the Corporations Code is amended to read:

13401.5. Notwithstanding subdivision (d) of Section 13401 and any other provision of law, the following licensed persons may be shareholders, officers, directors, or professional employees of the professional corporations designated in this section so long as the sum of all shares owned by those licensed persons does not exceed 49 percent of the total number of shares of the professional corporation so designated herein, and so long as the number of those licensed persons owning shares in the professional corporation so designated herein does not exceed the number of persons licensed by the governmental agency regulating the designated professional corporation:

- (a) Medical corporation.
- (1) Licensed doctors of podiatric medicine.
- (2) Licensed psychologists.
- (3) Registered nurses.
- (4) Licensed optometrists.
- (5) Licensed marriage and family therapists.
- (6) Licensed clinical social workers.
- (7) Licensed physician assistants.
- (8) Licensed chiropractors.

- 1 (9) Licensed acupuncturists.
- 2 (10) *Naturopathic Doctors*.
- 3 (b) Podiatric medical corporation.
- 4 (1) Licensed physicians and surgeons.
- 5 (2) Licensed psychologists.
- 6 (3) Registered nurses.
- 7 (4) Licensed optometrists.
- 8 (5) Licensed chiropractors.
- 9 (6) Licensed acupuncturists.
- 10 (7) *Naturopathic doctors*.
- 11 (c) Psychological corporation.
- 12 (1) Licensed physicians and surgeons.
- 13 (2) Licensed doctors of podiatric medicine.
- 14 (3) Registered nurses.
- 15 (4) Licensed optometrists.
- 16 (5) Licensed marriage and family therapists.
- 17 (6) Licensed clinical social workers.
- 18 (7) Licensed chiropractors.
- 19 (8) Licensed acupuncturists.
- 20 (9) *Naturopathic Doctors*.
- 21 (d) Speech-language pathology corporation.
- 22 (1) Licensed audiologists.
- 23 (e) Audiology corporation.
- 24 (1) Licensed speech-language pathologists.
- 25 (f) Nursing corporation.
- 26 (1) Licensed physicians and surgeons.
- 27 (2) Licensed doctors of podiatric medicine.
- 28 (3) Licensed psychologists.
- 29 (4) Licensed optometrists.
- 30 (5) Licensed marriage and family therapists.
- 31 (6) Licensed clinical social workers.
- 32 (7) Licensed physician assistants.
- 33 (8) Licensed chiropractors.
- 34 (9) Licensed acupuncturists.
- 35 (10) *Naturopathic doctors*.
- 36 (g) Marriage and family therapy corporation.
- 37 (1) Licensed physicians and surgeons.
- 38 (2) Licensed psychologists.
- 39 (3) Licensed clinical social workers.
- 40 (4) Registered nurses.



- 1 (5) Licensed chiropractors.
- 2 (6) Licensed acupuncturists.
- 3 (7) *Naturopathic doctors*.
- 4 (h) Licensed clinical social worker corporation.
- 5 (1) Licensed physicians and surgeons.
- 6 (2) Licensed psychologists.
- 7 (3) Licensed marriage and family therapists.
- 8 (4) Registered nurses.
- 9 (5) Licensed chiropractors.
- 10 (6) Licensed acupuncturists.
- 11 (7) *Naturopathic doctors*.
- 12 (i) Physician assistants corporation.
- 13 (1) Licensed physicians and surgeons.
- 14 (2) Registered nurses.
- 15 (3) Licensed acupuncturists.
- 16 (4) *Naturopathic doctors*.
- 17 (j) Optometric corporation.
- 18 (1) Licensed physicians and surgeons.
- 19 (2) Licensed doctors of podiatric medicine.
- 20 (3) Licensed psychologists.
- 21 (4) Registered nurses.
- 22 (5) Licensed chiropractors.
- 23 (6) Licensed acupuncturists.
- 24 (7) *Naturopathic doctors*.
- 25 (k) Chiropractic corporation.
- 26 (1) Licensed physicians and surgeons.
- 27 (2) Licensed doctors of podiatric medicine.
- 28 (3) Licensed psychologists.
- 29 (4) Registered nurses.
- 30 (5) Licensed optometrists.
- 31 (6) Licensed marriage and family therapists.
- 32 (7) Licensed clinical social workers.
- 33 (8) Licensed acupuncturists.
- 34 (9) *Naturopathic doctors*.
- 35 (l) Acupuncture corporation.
- 36 (1) Licensed physicians and surgeons.
- 37 (2) Licensed doctors of podiatric medicine.
- 38 (3) Licensed psychologists.
- 39 (4) Registered nurses.
- 40 (5) Licensed optometrists.



- 1 (6) Licensed marriage and family therapists.
- 2 (7) Licensed clinical social workers.
- 3 (8) Licensed physician assistants.
- 4 (9) Licensed chiropractors.
- 5 (10) *Naturopathic doctors.*
- 6 (m) *Naturopathic doctor corporation.*
- 7 (1) *Licensed physicians and surgeons.*
- 8 (2) *Licensed psychologists.*
- 9 (3) *Registered nurses.*
- 10 (4) *Licensed physician assistants.*
- 11 (5) *Licensed chiropractors.*
- 12 (6) *Licensed acupuncturists.*
- 13 (7) *Licensed physical therapists.*
- 14 (8) *Licensed doctors of podiatric medicine.*
- 15 (9) *Licensed marriage, family, and child counselors.*
- 16 (10) *Licensed clinical social workers.*
- 17 (11) *Licensed optometrists.*
- 18 (n) *Dental corporation.*
- 19 (1) *Licensed physician and surgeons.*
- 20 (2) *Dental assistants.*
- 21 (3) *Registered dental assistants.*
- 22 (4) *Registered dental assistants in extended functions.*
- 23 (5) *Registered dental hygienists.*
- 24 (6) *Registered dental hygienists in extended functions.*
- 25 (7) *Registered dental hygienists in alternative practice.*
- 26 SEC. 5. *Section 4 of this bill incorporates amendments to*
- 27 *Section 13401.5 of the Corporations Code proposed by both this*
- 28 *bill and SB 907. It shall only become operative if (1) both bills are*
- 29 *enacted and become effective on or before January 1, 2004, (2)*
- 30 *each bill amends Section 13401.5 of the Corporations Code, and*
- 31 *(3) this bill is enacted after SB 907, in which case Section 3 of this*
- 32 *bill shall not become operative.*

O

